

Partnership for Economic Growth

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A livestock farm in Somaliland.

Funding Level:
\$20.9 million

Duration:
April 2011 – August 2015

Activity Goals:

- Improve the investment climate and promote private sector development
- Create jobs in livestock, farming, agribusiness, and energy production
- Provide skills training and capital to the private sector
- Support local farmers and veterinary institutions to increase agriculture production and protect the health of livestock

Activity Accomplishments:

- 1,000 farmers trained in new technologies or management practices
- \$2 million provided to small and medium enterprises
- 4 investment deals initiated to expand wind energy, resulting in a 20-fold increase in power generation capacity from wind technology

Implementing Partner:
Development Alternatives Inc. (DAI)

ACTIVITY OVERVIEW

USAID’s Partnership for Economic Growth (PEG) facilitates collaboration between local governments and the private sector to accelerate economic growth, increase investment, and generate productive employment across Somalia. By working with small and medium enterprises, producer organizations, women’s groups, trade and business associations, community-based organizations, and government counterparts, PEG is improving the investment climate across Somalia, creating jobs, and introducing new and better products to the local market. PEG also works with all levels of government across all Somali regions to support the development of policies and regulatory frameworks that create an enabling environment for business growth.

ACTIVITY AREAS

PEG invests in Somali people to benefit the local economy and strengthen promising value chains including agriculture, livestock, and energy. For example, in cooperation with local partners in South Central Somalia, PEG trains farmers and provides inputs, such as good quality seeds, fertilizers, and tractors, to increase production of vegetable, fruit, and maize crops, and enhance food security.

In Puntland, PEG supports the Ministry of Livestock to improve community-based animal health services and strengthen veterinary drug supplies.

In Somaliland, PEG collaborates with the Ministry of Mining, Energy, and Water Resources and independent power producers to pilot wind energy projects to improve access and reliability of clean energy. To govern energy and electricity production, supply, and distribution, USAID supports Somaliland as it establishes its first legal and regulatory framework. PEG also collaborates with Amoud University’s Faculty of Agriculture to develop a cadre of trained youth horticulture extension workers for Somaliland.

In Puntland and Somaliland, PEG has launched a National Veterinary Drug Awareness Campaign using TV, radio, leaflets, websites, billboards, and local theater productions, effectively linking community health workers and veterinary pharmacies with improved drugs and training. In the South Central Somalia livestock sector, PEG is developing improved fodder seeds with lead farmers; and supporting milk producers, traders, and processors with training and improved technologies to increase sales.

Key Partners:

Amoud University

Benadir University

Federal Government of Somalia
Ministry of Agriculture

Somaliland Ministry of Commerce

Somaliland Ministry of Mining, Energy,
and Water Resources

Somaliland and Puntland Chambers of
Commerce and Ministries of Livestock

Activity Locations:

Puntland

Somaliland

South Central Somalia

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In addition, to increase investment opportunities, PEG offers technical advice, facilitates workshops with global investment promotion experts, and provides specialized software to capture investment data for the Puntland Chambers of Commerce and Somaliland Ministry of Commerce's Investment Department. In doing so, local and international knowledge of investment opportunities expands.

PEG also implements the Partnership Fund – an innovative business plan competition to identify some of the region's best entrepreneurial minds and co-fund their ventures. In 2013, PEG launched Round 2 of the fund, partnering with the Somaliland Chamber of Commerce and Ministry of Commerce to select 13 businesses from nearly 1,000 business plan applicants. PEG contributes \$1 million in grants in each Round of the competition across a variety of agricultural sectors, leveraging nearly \$3 million from the local private sector to support local employment generation and economic development.

ACTIVITY IMPACT

To date, PEG has contributed to the creation of over 5,000 new or better jobs; leveraged more than \$11 million in local, diaspora and foreign investor capital, including the development of the region's first 100kw wind energy public-private partnership which has spurred investment by the private sector of 2 megawatts into the wind sector; developed the first Somaliland and Puntland Investment Guides and web investment platforms targeted towards diaspora investors; managed a series of public-private dialogues leading to draft legislation to address major regulatory constraints in key sectors; co-invested in innovative agriculture technologies with the private sector; and co-invested in Somaliland's and South Central Somalia's first agriculture extension services since the civil war which has led to significant increases in yields for participating farmers.

In order to improve food security and boost local agriculture sales, PEG trains farmers, dairy producers, and local agribusinesses in South Central Somalia in crop production, storage and hygiene, and quality control. Three demonstration farms have been established so that farmers are able to test local seed varieties of maize and vegetables and learn better farming techniques, leading to increased yields of up to 70% and a greater variety of produce for the local market, enhancing food security and drought resilience.

As a means of increasing the incomes of pastoralists, PEG trains community-based animal health workers and veterinary pharmacists to make better quality drugs and accurate prescriptions of veterinary drugs more available. Supporting animal health can result in higher prices of up to 20% per head, contributing to better livelihoods for pastoralists, traders, and the local community.